

## Section 995.—Taxation of DISC Income to Shareholders

**2001 base period T-bill rate.** The “base period T-bill rate” for the period ending September 30, 2001, is published as required by section 995(f) of the Code.

### Rev. Rul. 2001-56

Section 995(f)(1) of the Internal Revenue Code provides that a shareholder of a DISC shall pay interest each taxable year in an amount equal to the product of the shareholder’s DISC-related deferred tax liability for the year and the “base period T-bill rate.” Under section 995(f)(4), the base period T-bill rate is the annual rate of interest determined by the Secretary to be equivalent to the average of the 1-year constant maturity Treasury yields, as published by the Board of Governors of the Federal Reserve System, for the 1-year period ending on September 30 of the calendar year ending with (or of the most recent calendar year ending before) the close of the taxable year of the shareholder. The base period T-bill rate for the period ending September 30, 2001, is 4.41 percent.

Pursuant to section 6222 of the Code, interest must be compounded daily. The table below provides factors for compounding the base period T-bill rate daily for any number of days in the shareholder’s taxable year (including a

52-53 week accounting period) for the 2001 base period T-bill rate. To compute the amount of the interest charge for the shareholder’s taxable year, multiply the amount of the shareholder’s DISC-related deferred tax liability (as defined in section 995(f)(2)) for that year by the base period T-bill rate factor corresponding to the number of days in the shareholder’s taxable year for which the interest charge is being computed. Generally, one would use the factor for 365 days. One would use a different factor only if the shareholder’s taxable year for which the interest charge being determined is a short taxable year, if the shareholder uses the 52-53 week taxable year, or if the shareholder’s taxable year is a leap year.

For the base period T-bill rates for the periods ending in prior years, see Rev. Rul. 2000-52 (2000-48 I.R.B. 516).

#### DRAFTING INFORMATION

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2001 ANNUAL RATE COMPOUNDED DAILY	
4.41 PERCENT	
DAYS	FACTOR
1	.000120822
2	.000241658
3	.000362510
4	.000483375
5	.000604256
6	.000725151
7	.000846060
8	.000966984
9	.001087923
10	.001208876
11	.001329844
12	.001450827
13	.001571824
14	.001692836
15	.001813862

4.41 PERCENT	
DAYS	FACTOR
16	.001934903
17	.002055959
18	.002177029
19	.002298114
20	.002419214
21	.002540328
22	.002661457
23	.002782601
24	.002903759
25	.003024931
26	.003146119
27	.003267321
28	.003388538
29	.003509769
30	.003631015
31	.003752275
32	.003873551
33	.003994841
34	.004116145
35	.004237464
36	.004358798
37	.004480147
38	.004601510
39	.004722888
40	.004844281
41	.004965688
42	.005087110
43	.005208546
44	.005329997
45	.005451463
46	.005572944
47	.005694439
48	.005815949
49	.005937474
50	.006059013
51	.006180567
52	.006302136
53	.006423719
54	.006545317
55	.006666930
56	.006788557
57	.006910199
58	.007031856
59	.007153528
60	.007275214

2001 ANNUAL RATE  
COMPOUNDED DAILY—CONTINUED

4.410 PERCENT		4.410 PERCENT		4.410 PERCENT	
DAYS	FACTOR	DAYS	FACTOR	DAYS	FACTOR
61	.007396915	101	.012277028	141	.017180782
62	.007518630	102	.012399333	142	.017303680
63	.007640361	103	.012521653	143	.017426592
64	.007762106	104	.012643988	144	.017549520
65	.007883866	105	.012766338	145	.017672462
66	.008005640	106	.012888702	146	.017795419
67	.008127429	107	.013011081	147	.017918391
68	.008249233	108	.013133475	148	.018041378
69	.008371052	109	.013255884	149	.018164380
70	.008492885	110	.013378307	150	.018287396
71	.008614733	111	.013500746	151	.018410428
72	.008736596	112	.013623199	152	.018533474
73	.008858473	113	.013745667	153	.018656535
74	.008980366	114	.013868149	154	.018779611
75	.009102272	115	.013990647	155	.018902702
76	.009224194	116	.014113159	156	.019025808
77	.009346131	117	.014235686	157	.019148929
78	.009468082	118	.014358228	158	.019272064
79	.009590048	119	.014480785	159	.019395215
80	.009712028	120	.014603356	160	.019518380
81	.009834023	121	.014725943	161	.019641560
82	.009956034	122	.014848544	162	.019764755
83	.010078058	123	.014971160	163	.019887965
84	.010200098	124	.015093791	164	.020011190
85	.010322152	125	.015216436	165	.020134429
86	.010444221	126	.015339097	166	.020257684
87	.010566305	127	.015461772	167	.020380954
88	.010688404	128	.015584462	168	.020504238
89	.010810517	129	.015707167	169	.020627537
90	.010932645	130	.015829886	170	.020750851
91	.011054788	131	.015952621	171	.020874180
92	.011176945	132	.016075370	172	.020997524
93	.011299118	133	.016198134	173	.021120883
94	.011421305	134	.016320913	174	.021244257
95	.011543507	135	.016443707	175	.021367646
96	.011665723	136	.016566516	176	.021491049
97	.011787955	137	.016689340	177	.021614468
98	.011910201	138	.016812178	178	.021737901
99	.012032462	139	.016935031	179	.021861350
100	.012154738	140	.017057899	180	.021984813

2001 ANNUAL RATE  
COMPOUNDED DAILY—CONTINUED

4.410 PERCENT		4.410 PERCENT		4.410 PERCENT	
DAYS	FACTOR	DAYS	FACTOR	DAYS	FACTOR
181	.022108291	221	.027059670	261	.032035036
182	.022231784	222	.027183762	262	.032159728
183	.022355292	223	.027307868	263	.032284436
184	.022478815	224	.027431989	264	.032409158
185	.022602353	225	.027556126	265	.032533896
186	.022725906	226	.027680277	266	.032658648
187	.022849473	227	.027804443	267	.032783416
188	.022973056	228	.027928625	268	.032908199
189	.023096654	229	.028052821	269	.033032997
190	.023220266	230	.028177032	270	.033157810
191	.023343894	231	.028301258	271	.033282638
192	.023467536	232	.028425500	272	.033407481
193	.023591193	233	.028549756	273	.033532340
194	.023714865	234	.028674027	274	.033657213
195	.023838553	235	.028798314	275	.033782102
196	.023962255	236	.028922615	276	.033907005
197	.024085972	237	.029046932	277	.034031924
198	.024209704	238	.029171263	278	.034156857
199	.024333451	239	.029295610	279	.034281806
200	.024457213	240	.029419971	280	.034406770
201	.024580990	241	.029544347	281	.034531749
202	.024704782	242	.029668739	282	.034656743
203	.024828588	243	.029793146	283	.034781752
204	.024952410	244	.029917567	284	.034906777
205	.025076247	245	.030042004	285	.035031816
206	.025200099	246	.030166455	286	.035156871
207	.025323965	247	.030290922	287	.035281940
208	.025447847	248	.030415404	288	.035407025
209	.025571743	249	.030539901	289	.035532125
210	.025695655	250	.030664412	290	.035657240
211	.025819581	251	.030788939	291	.035782370
212	.025943523	252	.030913481	292	.035907515
213	.026067479	253	.031038038	293	.036032676
214	.026191451	254	.031162610	294	.036157851
215	.026315437	255	.031287197	295	.036283042
216	.026439439	256	.031411799	296	.036408247
217	.026563455	257	.031536416	297	.036533468
218	.026687486	258	.031661049	298	.036658704
219	.026811533	259	.031785696	299	.036783955
220	.026935594	260	.031910358	300	.036909221

2001 ANNUAL RATE  
COMPOUNDED DAILY—CONTINUED

4.410 PERCENT		4.410 PERCENT		4.410 PERCENT	
DAYS	FACTOR	DAYS	FACTOR	DAYS	FACTOR
301	.037034503	326	.040171461	351	.043317908
302	.037159799	327	.040297137	352	.043443964
303	.037285111	328	.040422827	353	.043570035
304	.037410438	329	.040548533	354	.043696121
305	.037535780	330	.040674254	355	.043822222
306	.037661137	331	.040799990	356	.043948339
307	.037786509	332	.040925742	357	.044074471
308	.037911896	333	.041051509	358	.044200618
309	.038037299	334	.041177290	359	.044326780
310	.038162716	335	.041303087	360	.044452958
311	.038288149	336	.041428900	361	.044579151
312	.038413597	337	.041554727	362	.044705359
313	.038539060	338	.041680570	363	.044831582
314	.038664539	339	.041806428	364	.044957821
315	.038790032	340	.041932301	365	.045084074
316	.038915541	341	.042058189	366	.045210343
317	.039041064	342	.042184092	367	.045336628
318	.039166603	343	.042310011	368	.045462927
319	.039292157	344	.042435945	369	.045589242
320	.039417727	345	.042561894	370	.045715572
321	.039543311	346	.042687858	371	.045841918
322	.039668911	347	.042813838		
323	.039794526	348	.042939833		
324	.039920156	349	.043065843		
325	.040045801	350	.043191868		